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REPEALING REQUIREMENT TO REPORT THE NUMBER OF PENALTY ENVELOPES AND WRAPPERS

HEARING BEFORE THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE HOUSE OF REPRESENTATIVES EIGHTY-FOURTH CONGRESS

FIRST SESSION

ON

H. R. 5856

A BILL TO REPEAL THE REQUIREMENT FOR HEADS OF
DEPARTMENTS AND AGENCIES TO REPORT TO THE POST-
MASTER GENERAL THE NUMBER OF PENALTY ENVELOPES
AND WRAPPERS ON HAND AT THE CLOSE OF EACH FISCAL
YEAR

JUNE 7, 1955

Printed for the use of the Committee on Post Office and Civil Service



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REPEALING REQUIREMENT TO REPORT THE NUMBER OF PENALTY ENVELOPES AND WRAPPERS

TUESDAY, JUNE 7, 1955

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE ON
POST OFFICE AND CIVIL SERVICE,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to call, in room 203, Old House Office Building, Hon. Dante B. Fascell presiding.

Mr. FASCELL. The subcommittee will now come to order.

This subcommittee, consisting of Congressmen Moss, Tunulty, Harden, Henderson, and myself as chairman, was appointed to consider H. R. 5856, a bill to repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

(H. R. 5856 follows:)

[H. R. 5856, 84th Cong., 1st sess.]

A BILL To repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301 of the Penalty Mail Act of 1948, as amended (62 Stat. 1048; 39 U. S. C., sec. 321i), is hereby amended by striking out the second sentence thereof.

Mr. FASCELL. This legislation was introduced by Chairman Murray of our committee at the request of the Post Office Department. The purpose is to eliminate unnecessary paperwork in government.

The Penalty Mail Act of 1948 requires, among other things, that Government agencies using the penalty mail privileges make an accounting for penalty envelopes, wrappers, and so forth which they have on hand at the end of each fiscal year. This requirement now serves no useful purpose because of the enactment of Public Law 286, 73d Congress. Public Law 286 requires Government agencies to pay to the Post Office Department amounts equivalent to the postage which normally would be chargeable to the penalty mail they use.

The Post Office Department reports that there are adequate means for obtaining needed information on penalty materials without going to the expense of the accounting which this legislation will eliminate. The Bureau of the Budget also approves.

We have with us this morning Assistant Postmaster General Albert J. Robertson, accompanied by Mr. Louis J. Doyle, Associate Solicitor, and Mr. J. Harold Marks, finance officer, of the Post Office Department staff.

We will be glad to have a statement from you and your staff, General Robertson.

STATEMENT OF ALBERT J. ROBERTSON, ASSISTANT POSTMASTER GENERAL AND CONTROLLER; ACCOMPANIED BY J. HAROLD MARKS, FINANCE OFFICER, BUREAU OF FINANCE, AND LOUIS J. DOYLE, ASSOCIATE SOLICITOR, OFFICE OF THE SOLICITOR, POST OFFICE DEPARTMENT, WASHINGTON, D. C.

Mr. ROBERTSON. Mr. Chairman, reimbursement for penalty mail is an advantage to both the Post Office and the Government. Not only is it good business practice, but it helps counteract the allegation that much of the postal deficit is due to free Government mailings and it also results in the use of more care in mailing on the part of Government departments and agencies.

The cost, however, of computing the amount of reimbursement has been criticized as being excessive and the purpose of H. R. 5856 is to eliminate a procedure which we consider no longer necessary. In its place we can negotiate with each department and agency separately, tailoring a method of determining reimbursement to its organization and needs. My associates will, if you wish, testify in detail on this subject.

Mr. FASCELL. Thank you, General. We appreciate your coming to the meeting this morning.

We will hear from Mr. Louis J. Doyle.

Mr. DOYLE. Mr. Chairman, I am sure that what you are interested in is how this will work and how it has worked in the past. Mr. Marks is the one who will be able to explain that to you.

The only thing I would care to do now is have made a part of the record of this hearing the letter signed by the Acting Postmaster General Charles R. Hook, Jr., to Speaker Rayburn, dated April 18, 1955, with which there was transmitted a proposed piece of legislation now embodied in this bill.

Mr. FASCELL. Very well. We will receive the letter and enter it in the record.

(The letter referred to follows:)

OFFICE OF THE POSTMASTER GENERAL,
Washington 25, D. C., April 18, 1955.

HON. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: Transmitted herewith, for consideration by the Congress, is proposed legislation to repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

Pursuant to section 301 of the Penalty Mail Act of 1948, as amended, all penalty mail envelopes, wrappers, labels, cards, and other articles, bearing the penalty mail indicia must be "procured or accounted for through the Postmaster General under such regulations as he shall prescribe." In addition, this section also provides that the Post Office Department be reimbursed for penalty mailings by the departments, agencies, and establishments of the Government. However, the second sentence of this section, which sentence is proposed to be repealed, provides:

"The head of each such department, agency, establishment, or other organization, or each such person, shall submit to the Postmaster General within sixty days after the close of each fiscal year a statement showing the number of envelopes, labels, wrappers, cards, and other articles bearing such indicia on hand at the close of such fiscal year."

Compliance with the requirements of this sentence of the law results in considerable unnecessary expense to the departments and agencies of the Government using penalty envelopes. The recent report on paperwork management released by the Hoover Commission states that agencies are spending almost \$3,800,000 annually to develop usage figures. In view of the provision for reimbursement, no need is now seen for continuing this requirement of law.

If the attached legislative proposal is enacted, the Post Office has adequate alternate sources and methods to secure reliable information. For example, reimbursements can be based on bulk purchases of new envelopes by permitting the present inventory to remain as a working stock. In many cases, usage can be satisfactorily computed by observing the mailing pattern of the agency for a short sampling period. In other cases, the number of envelopes used annually is so constant that a fixed reimbursement could be negotiated in advance.

The enactment of the attached proposal will practically eliminate computation costs and will relieve the departments and agencies of the Government of the expense of an inventory count which has been imposed on them since 1948 and which is scheduled again for June 30 of this year.

It is believed that the legislative proposal transmitted herewith will accomplish the purpose desired, and this Department urges its early enactment.

The Bureau of the Budget has advised that there would be no objection to the submission of this legislative proposal to Congress.

Sincerely yours,

CHARLES R. HOOK, Jr.,
Acting Postmaster General.

Mr. DOYLE. Mr. Marks will be able to tell you how this plan has worked over the past and what we can do in the future under this proposed legislation.

Mr. FASCELL. We will now hear from Mr. J. Harold Marks.

Mr. MARKS. The reimbursement at the present time is determined in several ways. In some instances the concern or the agency involved reimburses at the rate of 3 cents for a regular letter and 9 cents for a large-size letter. They also have to individually pay postage on airmail, special delivery, and other special services because it isn't in the negotiated or standard rate.

Some agencies, however, such as Department of Defense, did negotiate a standard rate based upon a sampling of 3.75 cents per item. That avoided the problem of separating the large mailings from the smaller mailings in size.

Basically the background for determining the mailings is inventory of envelopes. When they buy envelopes or other indicia for penalty mailings, they send a copy of their purchase order to the Post Office Department and then at the end of each year they give us a statement showing the number of envelopes and tags and cards and other indicia they had at the beginning of the year, the number purchased, and then what they have on hand now, the difference, of course, between those figures being the use.

But to that use they have to adjust for nonmailings where a certain number are spoiled in addressing and also where because of relocation of certain centers or discontinuance of certain operations some envelopes become obsolete insofar as the return card is concerned, and they destroy those.

Mr. FASCELL. An agency purchases its envelopes from the outside?

Mr. MARKS. Yes.

Mr. FASCELL. And is authorized by law to carry an indication on the envelope that no postage is required and that it is used for the United States Government and any other use would be penalized.

Mr. MARKS. That is right.

Mr. FASCELL. That is what you are talking about?

Mr. MARKS. That is right.

Mr. FASCELL. Then they reimburse the Post Office Department for the mailings.

Mr. MARKS. That is right.

Mr. FASCELL. The Post Office Department then has to check to determine how much they actually mailed.

Mr. MARKS. We accept their statement as to their inventory condition, procurement, and present inventory condition.

Mr. FASCELL. The purpose of that system is to eliminate the necessity of them expending cash to buy stamps?

Mr. MARKS. That is right. These agencies by that means are giving us some measure of control on their mailings, the number of indicia used times the figure should approximate somewhat near what they are paying. However, there are differences in rates and it isn't an absolute control and was never intended to be such. We don't operate that way.

Mr. FASCELL. Under the present law, the various agencies are required to report to you, or rather to the Post Office Department, within 60 days after the close of the fiscal year?

Mr. MARKS. That is right.

Mr. FASCELL. And that report is at the present time the basis by which the agency will reimburse the Post Office Department; is that correct?

Mr. MARKS. They reimburse in part on that and in part on records they maintain of the mailings, because they have to keep track of spoils and destroyed envelopes and indicia.

Mr. FASCELL. H. R. 5856 would eliminate the provision in the present law requiring agencies to make these annual reports?

Mr. MARKS. That is right.

Mr. FASCELL. You are going to tell us now the method by which the Post Office Department will still maintain adequate control for reimbursement, and eliminate the obvious time and energy and effort and money that would go into making up these reports by each agency?

Mr. MARKS. That is right. In the large agency the problem of getting an inventory at the end of the year at each of the points of maintenance of record or supply depot is very expensive and they also claim that the errors, correcting the obvious errors which they themselves can see is expensive. What we have in mind is several methods. One would be what would be called procurement only, where you have a somewhat standard inventory condition and they buy just to fill their needs. We would consider the inventory on hand as standard and they would pay strictly on the basis of what procurement was made during the year.

Mr. FASCELL. In that example would there, or could there, be an allowance for spoilage?

Mr. MARKS. Yes; in other words, once again they would just say we had a peculiar condition involving one of our branches which was discontinued and they had approximately 10,000 envelopes that we destroyed because they were no longer useful to us. That would apply there.

We would take merely the procurement report as the base for the reimbursement and would accept any conditions which they would develop to show us the reduction.

Mr. FASCELL. Would the procurement report in the example you cited, and the spoilage report, come under the signature of the responsible official of the agency itself?

Mr. MARKS. The procurement reports are really copies of the purchase orders.

Mr. FASCELL. What I am getting at is: I would assume that the Post Office Department would have in its files sufficient evidence to back up its reimbursement and that it would probably come either from the head of the agency or somebody delegated by him to submit the procurement report or spoilage report or both.

Mr. MARKS. Each agency has an employee delegated as liaison or contact man between the Post Office Department and the agency for the negotiating and reporting. We have their names on file and we negotiate with them and we accept that—I guess the head of the agency signs the report.

Mr. FASCELL. You would cover that by regulation?

Mr. MARKS. Yes, we would.

Now, another way of reimbursement would be to accept the budget estimate of the agency as to what their use is going to be during the following year. We would accept their budget estimate and have the reimbursement based on that. Once again depending if unusual circumstances arose there would be an adjustment in the amount of reimbursement.

Another method of negotiating would be to take periodic samplings. The agencies would sample their mailings from time to time and find out the number of pieces mailed, multiply it by whatever period factor is involved.

Mr. FASCELL. Day or week.

Mr. MARKS. Yes; and from that they would make their reimbursement to us. Any or all of those methods will be used and in some cases it would depend entirely upon the agencies' own needs and organization structure as to which would be best suited to them, and reduce their cost to a minimum.

Now, from the standpoint of what you might call control of this from the Post Office Department, we make periodic samplings by costs ascertainment methods and we would count the mail from those various agencies 4 weeks out of each year. We pick 1 week in each quarter and from the count of those mailings during that time we would be able to project it on to an annual basis.

Of course we are not looking for complete accuracy. What we are looking for is control by approximation. If we had any reason to feel that there was a sizable or unreasonable difference between our developed figures and the agency's reported mailings, we would then have to go and negotiate further with them or examine their operations, procurement, and possibly make even further tests in order to develop the difference.

We are also considering a negotiated rate rather than individual rates. One of the problems for the other agencies is the matter of a different rate on airmail as against ordinary mail and just as now, we have a negotiated rate with certain agencies where they would pay an average rate for all mailings, large and small, we could do the same thing for the ordinary letter mail and also for the airmail by setting a negotiated rate by determining what percentage of their mailings were for transmittal by air. We might come up with 3.8 for the cost of

each mailing and it wouldn't be necessary to distinguish between letter mail and airmail in their records and controls.

Now, the big advantage we believe that will accrue to the Government in this against any other method of computing reimbursement is that it will eliminate the possibility of having mail delayed because there is insufficient postage on it. If the agencies would go into a procedure of individual rating and affixing postage, it would mean that in addition to the agency cost, there would be also the cost and the delay involved in verification at the mailing office and a return to the agency in those cases where the postage was insufficient. Or worse, yet, the situation where insufficiently prepaid mail would be delivered to an addressee and he would be charged postage due. I don't think anybody would like the prospect of getting a letter from the Government and having to pay for the receipt of it.

Mr. FASCELL. It is a happy thought but I don't think the people would go for it.

Mr. MARKS. That is right. So we feel that the penalty privilege has the advantage all the way through the Government—to the other agencies, to the Post Office, and to the Government overall or as a whole.

Mr. FASCELL. Do you have any figures which would give us some idea as to what the total postage bill is? How big a problem is this thing?

Mr. MARKS. The amount of money received from penalty mailings last year was \$33,576,000 in round figures, and this accounted for penalty mailings of 1,296,489,000 pieces. That, incidentally, shows a decrease from the previous year's penalty mailings of about 10 percent when they amounted to 1,442,879,000.

Mr. FASCELL. Relatively speaking, these figures that you quoted us on amount of money and amounts of mailings, is that small, large, fair, or what?

Mr. MARKS. The amount of reimbursement is very good in comparison with our expenditures. Our cost ascertainment, for example, showed that the cost of handling penalty mail was \$38,463,000. We recovered \$33,576,000.

Mr. FASCELL. I got confused on the figures. What did you say your cost ascertainment figure was?

Mr. MARKS. That is the cost, taking all the costs of handling the mail.

Mr. FASCELL. How much was that?

Mr. MARKS. \$38,463,000. Our recovery by means of reimbursement was \$33,576,000. There is some difference because of the penalty mailing being a developed figure and not actual.

Mr. FASCELL. In other words, the difference of the \$5 million is not a true indication of any loss particularly.

Mr. MARKS. No; there are some mailings which are not subject to reimbursement. This does not include franked mail.

Mr. FASCELL. How about getting in the record a very short distinction between franked mail and what we are talking about here.

Mr. MARKS. Penalty mail is a mail bearing indicia reading substantially as follows: "Penalty for private use to avoid payment of postage \$300."

Franked mail on the other hand is mail which bears the signature indicia of some Member of Congress or other person authorized to send franked mail.

Mr. FASCELL. Franked mail of course is not reimbursable.

Mr. MARKS. Yes; it is. Franked mail is reimbursable.

Mr. JOHNSON. Franked mail is paid for in a lump-sum appropriation. There is no separation as to individual Members of Congress.

Mr. FASCELL. That is the point I wanted to get in the record.

Proceed, Mr. Marks.

Mr. MARKS. Well, we have in effect exercised control even in the past over the inventory reports and once again we realized that we couldn't come to a fineness of accuracy.

According to our cost-ascertainment reports, the mailings of the other Government agencies under penalty amounted to 1,296 million pieces. According to our control figures, which each agency reported to us from inventory condition, it was 1,188 million pieces. But that breaks down into mailings by some agencies which are not required to reimburse and also that some mailings were going out under penalty of the Government Printing Office which should be going out under frank, but because of the procedure it was more economical for them to send it under penalty. There has been an adjustment in that figure.

Mr. FASCELL. The difference in the figures that you have quoted there of 108 million, is that significant or is it actually not material?

Mr. MARKS. We think it is reasonable. We think in any type of sampling or control, in view of the extraneous conditions that are present there, we believe it shows that we have a reasonable control on the accuracy of the mailings. Over and above all we are trying to show that we are not trying to get complete accuracy in this reimbursement as we consider it a matter of you might say within the family adjustment of cost and expenditure.

Mr. FASCELL. One of the questions I am sure will arise at this point is: Why wouldn't it be better to require these agencies to actually purchase whatever mailing requirements they need in the way of stamps or other services?

Mr. MARKS. The cost to them in individually affixing postage would be very high. It would be not only a matter of individually rating each piece, fixing the postage, there would be the problems involved where they don't rate the correct amount and where it would be returned to them for additional postage or as previously said where it would go forward to the addressee and would have to be paid as postage due.

Mr. FASCELL. In other words, it is your expert opinion, based on your work, that in order to achieve absolute accuracy on this 108 million pieces differential the cost to the Government would be far greater than it would be to use a method which is presently in use.

Mr. MARKS. Yes; and of course ours is on a sampling, 4 times a year, 1 week duration, and we use it just as a sampling control.

Mr. FASCELL. Then, as I understand your testimony, if this bill is enacted into law you can keep as good a control or better than you have under the present system which you have just pointed out with these figures?

Mr. MARKS. We feel we can keep as good control as we presently have by negotiating with the individual agencies and working out what will be mutually satisfactory as an arrangement.

Mr. FASCELL. Is that opinion based on any—

Mr. MARKS. It is based on negotiations we have already had. We have been in discussion with the Navy Department, and with them

we have worked out the budget method. We have also been in discussion with Health, Education, and Welfare, and Library of Congress, and several others.

Mr. FASCELL. In other words, you have made sufficient investigation to be able to tell this committee that if this bill is enacted into law you will have a control which is as good as under the present system or better, and with considerable saving to the Government.

Mr. MARKS. Not only that, I can also say that the other agencies are very happy to hear that we will be able to negotiate and work out the problem individually with them rather than as a single package which might not meet their organizational structure and needs. Every agency that we have contacted so far, 12 or 13, has indicated very happy reaction to the suggestion.

Mr. FASCELL. No agency has objected to this proposal?

Mr. MARKS. None.

Mr. FASCELL. Do you have any figures which would give to this committee an approximation on savings, administrative savings, if this new plan is adopted.

Mr. MARKS. The cost has been estimated as 3.8 million. That would be the potential but of course there will be some cost involved in any type of control that the agency will exercise and they will have to exercise some for their own budget requirements and for historical and other requirements that they have to meet.

Mr. FASCELL. In other words, there will be a saving between what it now costs the individual agencies to administer the law and what it would cost the Post Office Department to administer the new law.

Mr. MARKS. Yes; there will be a saving.

Mr. FASCELL. You estimate that will be a saving of several million dollars in administrative cost?

Mr. ROBERTSON. May I say something there? The estimate of the cost of this inventory is \$3,800,000. That is eliminated. That \$3,800,000 will be saved. In its place there will have to be some sort of an elementary bookkeeping but it shouldn't anywhere nearly amount to that.

Mr. FASCELL. That is within the agency itself.

Mr. ROBERTSON. Yes.

Mr. FASCELL. There will be administrative work within the agency but not as complicated or expensive as presently.

Mr. ROBERTSON. No; not nearly as expensive as buying and affixing postage stamps. That is an expensive item where it is projected into a very large mailing, the time that is consumed in putting on postage stamps or in using meters. So that would be saved.

Mr. FASCELL. If this bill is enacted into law, would it impose any additional administrative burden upon the Post Office Department?

Mr. MARKS. No additional burden. We make our cost ascertainment now four times a year. We would continue to do the same thing and we would be a little finer in our analysis of our cost ascertainment, of course.

Mr. FASCELL. Mrs. Harden, do you have any questions?

Mrs. HARDEN. I haven't any, Mr. Chairman, at this time.

Mr. FASCELL. Mr. Henderson?

Mr. HENDERSON. I think not. I think Mr. Marks has answered most of the questions. He anticipated most of my questions, as did the questions that you raised. A good many of them were questions that I would have raised.

Mr. FASCELL. Is there any further statement that any of you gentlemen wish to make at this time?

Mr. JOHNSON. Could I ask two questions of Mr. Marks?

Mr. FASCELL. Yes.

Mr. JOHNSON. Is this within the framework of the Post Office Department financial and control act?

By that, you would assume this has the approval of the Comptroller General of the United States as to the procedure for costing?

Mr. MARKS. That is right.

Mr. JOHNSON. The other is not a question, but give credit to our Post Office and Civil Service Committee. Mr. Marks mentioned there was a reduction in the volume of mailing by the agencies. Last year when this committee was considering H. R. 6281, which became Public Law 286 requiring reimbursement to the Post Office Department for penalty and franked mail, the estimate was \$34 million or \$35 million as the annual value of penalty mail. There has been, has there not, approximately a 10-percent reduction in penalty mail?

Mr. MARKS. That is right.

Mr. JOHNSON. Would it be fair to say a large part of that is attributable to the enactment of Public Law 286 which requires the departments and agencies to more carefully police their use of the mailing privilege?

Mr. MARKS. Yes; I think so, because when you have to pay for juice you are more careful about turning out your lights.

Mr. JOHNSON. I wanted to point out that one of the objectives of the committee in enacting this legislation is paying off.

Mr. HENDERSON. Is there anything in this legislation here proposed that would in any way be termed a lever to be used upon departments in the use of their mailing or are they going to be just as free to control their own mailings as in the past?

Mr. MARKS. They will be as free to control their own mailings. Whatever mailings they want to make they may make. If they mail in excess of their budget and our control figures develop that fact, we will go to them and require a larger budget the next year and then they will have to justify it to the Congress and so in effect the control would be that they couldn't be spendthrifts in their mailing habits.

Mr. HENDERSON. You may have answered this. Have you received any objection from any departments of the Government concerning this proposal?

Mr. MARKS. None at all.

Mr. FASCELL. Well, gentlemen, that concludes the hearing. We certainly appreciate your coming down.

(Whereupon, at 10:40 a. m., the committee was recessed, subject to call.)

LEGISLATIVE HISTORY

Public Law 451

H.R. 5856

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INDEX AND SUMMARY OF H. R. 5856

April 26, 1955 Rep. Murray, Tenn., introduced H. R. 5856 which was referred to the Committee on Post Office and Civil Service. Print of bill as introduced.

July 12, 1955 House committee reported without amendment H. R. 5856. House Report No. 1129. Print of bill and report.

July 18, 1955 House passed without amendment H. R. 5856.

July 19, 1955 H. R. 5856 was referred to the Senate Committee on Post Office and Civil Service. Print of bill.

March 6, 1956 Senate committee ordered reported without amendment H. R. 5856.

March 13, 1956 Senate committee reported without amendment H. R. 5856. Senate Report No. 1659. Print of bill and report.

March 19, 1956 Senate passed without amendment H. R. 5856.

March 29, 1956 Approved: Public Law 451, 84th Cong.

Having: HR 5856

DIGEST OF PUBLIC LAW 451

PENALTY MAIL. Amends the Penalty Mail Act of 1948 so as to repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

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H. R. 5856

IN THE HOUSE OF REPRESENTATIVES

May 18, 1900.

Report of the Committee on Education and Labor, on the bill (H. R. 5856) to amend the act of March 3, 1877, relating to the National Bureau of Education.

— H. R. 5856 —

A BILL

to amend the act of March 3, 1877, relating to the National Bureau of Education, and for other purposes, and to amend the act of March 3, 1877, relating to the National Bureau of Education, and for other purposes.

Enacted by the Senate and House of Representatives of the United States of America in Congress assembled, May 18, 1900.

H. R. 5856

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 1955

Mr. MURRAY of Tennessee introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 301 of the Penalty Mail Act of 1948, as
4 amended (62 Stat. 1048; 39 U. S. C., sec. 321i), is hereby
5 amended by striking out the second sentence thereof.

84TH CONGRESS
1ST SESSION

H. R. 5856

A BILL

To repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

By Mr. MURRAY of Tennessee

APRIL 26, 1955

Referred to the Committee on Post Office and Civil
Service

July 12, 1955

for each of the critical target areas during time of danger. The committee report states: "The Committee has not approved the budget estimate of \$3,050,000 for financing delegations of authority made by the Federal Civil Defense Administration to six different departments and agencies. Similar amounts were denied previously in the regular budget submissions of some of the agencies represented...the Committee can see no sufficient difference from the normal programs and responsibilities of the agencies concerned to warrant extra appropriations. Each agency already has primary responsibility in the fields of delegated authority and civil defense features can be integrated into regular operations just as is the case in the Department of Agriculture where no additional funds are requested, and as many of the same agencies are already doing with defense mobilization activities."

GSA expenses in connection with the buildings lease-purchase program, \$15,000,000.

Moving and space costs of GSA in connection with relocation of warehouse management and other employees into office space in the regional warehouses where they will occupy less costly space and be more closely situated to operations, \$300,000.

Authority for the "strategic and critical materials" appropriation to be used for costs in connection with strategic materials purchased with foreign currencies under the Agricultural Trade Development and Assistance Act of 1954.

Prohibition against use of any money for construction of transmission facilities to connect with the Dixon-Yates generating plant.

Claims, audited claims, and judgments against the U. S., various amounts.

The committee report states that "the Committee considered language proposed...for establishment of a working capital fund" for the Forest Service "but disapproves the proposal at this time, pending a further study."

The report includes the following statement: "During hearings on the Independent Offices Appropriation Act for 1956 the need for a Government-wide air conditioning program was thoroughly developed and at that time it was suggested to the General Services Administration that they work out a comprehensive plan for air conditioning those Federal buildings throughout the United States that require it, and that the matter be carefully prepared and presented through the Bureau of the Budget next year so consideration can be given by the Committee for a program to be started during fiscal year 1957. The Committee doubts the advisability of accomplishing air conditioning of buildings on a piece-meal basis for the reason that it is more satisfactory and less costly over a period of years to follow an orderly program."

Considered the conference report on H. R. 6766, the public works appropriation bill, which contains funds for the Atomic Energy Commission, Tennessee Valley Authority, certain agencies of the Interior Department, and civil functions of the Army; but deferred a vote on the conference report until Wed., July 13 (pp. 8858-67).

4. FOREIGN TRADE; SURPLUS COMMODITIES. Both Houses received the second progress report on activities carried on under Public Law 480, 83rd Congress (H. Doc. 216) (pp. 8827, 8857-8).
5. FARM CREDIT. Passed as reported H. R. 5168, providing for retirement of the Government capital in certain institutions operating under the supervision of the Farm Credit Administration, increasing borrower participation in the management and control of the Farm Credit system, etc. (pp. 8868-77).

6. PERSONNEL. The Post Office and Civil Service Committee reported with amendment the following bills: S. 1041, providing for the inclusion in computation of retirement certain State service rendered (H. Rept. 1127); S. 1792, to amend the Federal Employees' Group Life Insurance Act, 1954 (H. Rept. 1128); H. R. 6590, to prohibit employment by the Federal Government of persons disloyal to the United States or who believe in the right to strike against the United States (H. Rept. 1152) (p. 8906).
7. FOOD AND DRUG. Rep. Sullivan urged consideration of her proposal to increase appropriations for the Food and Drug Administration in order to increase its efficiency and effectiveness (pp. 8877-9).
8. RECLAMATION. Rep. Thomson, Wyo., defended the reclamation program as being relatively economical and contributive to the agricultural wellbeing of the Nation (pp. 8867-8).
9. FOREIGN AID. Several Representatives discussed American Foreign policy. Rep. Knutson urged consideration of an international agricultural products reserve plan (pp. 8880-8901).
10. PENALTY MAIL. The Post Office and Civil Service Committee reported without amendment H. R. 5856, to repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year (H. Rept. 1129) (p. 8906).
11. INCOME TAX. The Ways and Means Committee ordered reported H. R. 4731, to amend the Internal Revenue Code concerning capital gains and losses on sale of land with unharvested crop (p. D696).
12. LEGISLATIVE PROGRAM. The "Daily Digest" states that on Wed., July 13, "the House will vote on the adoption of the conference report on H. R. 6766, the public works appropriation bill..." (p. D693).

SENATE

13. BONDING EMPLOYEES. The Post Office and Civil Service Committee reported with amendment H. R. 4778, to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department and mail clerks of the Armed Forces (S. Rept. 827) (p. 8828). The "Daily Digest" states that the amendment would cover all Federal employees (p. D692).
14. IMMIGRATION. Sen. Kennedy inserted four newspaper editorials discussing the resolution he introduced to establish a bipartisan commission to review the immigration and naturalization policies (pp. 8835-6).
15. FOREIGN AID. Sen. Carlson commended individuals and organizations that raise money for foreign aid, and discussed the amount of surplus commodities purchased by the Church World Services (p. 8832).
16. LANDS. The Interior and Insular Affairs Committee ordered reported H. R. 4894, which would repeal certain obsolete laws relating to disposals of land under the timber and stone laws, and H. R. 605, which would abolish the 80-rod reservation of public ownership between public land claims located on shore waters in Alaska (p. D691).

ELIMINATION OF ACCOUNTING FOR PENALTY MAIL MATERIALS ON HAND

JULY 12, 1955.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. FASCELL, from the Committee on Post Office and Civil Service,
submitted the following

REPORT

[To accompany H. R. 5856]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 5856) to repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

This legislation will eliminate unnecessary paperwork throughout the Government. The Penalty Mail Act of 1948 requires Government agencies to account each year to the Post Office Department for penalty envelopes and wrappers on hand. This serves no useful purpose, particularly in view of Public Law 286, 83d Congress, under which Government agencies pay for their penalty mail.

Hearings were held at which the Assistant Postmaster General, Bureau of Finance, and other representatives of the Post Office Department testified as to the effect of this bill and the procedures which will be followed thereunder. It was stated that paperwork necessitated by the present requirement for an accounting costs \$3.8 million annually, and that a large part of such cost will be saved by this legislation. The Post Office Department has the means to obtain all information needed as a basis for penalty-mail payments by other and far less expensive procedures.

The letter of the Acting Postmaster General recommending this legislation follows:

2 ELIMINATE ACCOUNTING FOR PENALTY MAIL MATERIALS ON HAND

OFFICE OF THE POSTMASTER GENERAL.

Washington, D. C., April 18, 1955.

HON. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: Transmitted herewith, for consideration by the Congress, is proposed legislation to repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

Pursuant to section 301 of the Penalty Mail Act of 1948, as amended, "all penalty mail envelopes, wrappers, labels, cards, and other articles, bearing the penalty mail indicia must be "procured or accounted for through the Postmaster General under such regulations as he shall prescribe." In addition, this section also provides that the Post Office Department be reimbursed for penalty mailings by the departments, agencies, and establishments of the Government. However, the second sentence of this section, which sentence is proposed to be repealed, provides:

"The head of each such department, agency, establishment, or other organization, or each such person, shall submit to the Postmaster General within 60 days after the close of each fiscal year a statement showing the number of envelopes, labels, wrappers, cards, and other articles bearing such indicia on hand at the close of such fiscal year."

Compliance with the requirements of this sentence of the law results in considerable unnecessary expense to the departments and agencies of the Government using penalty envelopes. The recent report on paperwork management released by the Hoover Commission states that agencies are spending almost \$3,800,000 annually to develop usage figures. In view of the provision for reimbursement no need is now seen for continuing this requirement of law.

If the attached legislative proposal is enacted, the Post Office has adequate alternate sources and methods to secure reliable information. For example, reimbursements can be based on bulk purchases of new envelopes by permitting the present inventory to remain as a working stock. In many cases, usage can be satisfactorily computed by observing the mailing pattern of the agency for a short sampling period. In other cases, the number of envelopes used annually is so constant that a fixed reimbursement could be negotiated in advance.

The enactment of the attached proposal will practically eliminate computation costs and will relieve the departments and agencies of the Government of the expense of an inventory count which has been imposed on them since 1948 and which is scheduled again for June 30 of this year.

It is believed that the legislative proposal transmitted herewith will accomplish the purpose desired, and this Department urges its early enactment.

The Bureau of the Budget has advised that there would be no objection to the submission of this legislative proposal to Congress.

Sincerely yours,

CHARLES R. HOOK, JR.,
Acting Postmaster General.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, existing law in which no change is proposed is shown in roman):

SECTION 301 OF THE PENALTY MAIL ACT OF 1948, AS AMENDED

SEC. 301. All envelopes, labels, wrappers, cards, and other articles, bearing the indicia prescribed by law for matter mailed free of postage under the penalty privilege by all executive departments and agencies, all independent establishments of the Government, and all other organizations and persons authorized by law to use the penalty privilege, shall be procured or accounted for through the Postmaster General under such regulations as he shall prescribe. [The head of each such department, agency, establishment, or other organization, or each such

ELIMINATE ACCOUNTING FOR PENALTY MAIL MATERIALS ON HAND 3

person, shall submit to the Postmaster General within sixty days after the close of each fiscal year a statement showing the number of envelopes, labels, wrappers, cards, and other articles bearing such indicia on hand at the close of such fiscal year.】 Based on such accountings, there shall be transferred to the Post Office Department as postal revenue, out of any appropriations or funds available to the departments, agencies, and establishments concerned, the equivalent amount of postage due therefor, as determined pursuant to regulations prescribed by the Postmaster General.



Union Calendar No. 328

84TH CONGRESS
1ST SESSION

H. R. 5856

[Report No. 1129]

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 1955

Mr. MURRAY of Tennessee introduced the following bill; which was referred to the Committee on Post Office and Civil Service

JULY 12, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 301 of the Penalty Mail Act of 1948, as
4 amended (62 Stat. 1048; 39 U. S. C., sec. 321i), is hereby
5 amended by striking out the second sentence thereof.

I

84TH CONGRESS
1ST SESSION

H. R. 5856

[Report No. 1129]

A BILL

To repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

By Mr. MURRAY of Tennessee

APRIL 26, 1955

Referred to the Committee on Post Office and Civil Service

JULY 12, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

7/18/55

"Federal Aid to Agriculture," "The Administrative and Fiscal Impact of Federal Grants-in-Aid," "Civil Defense and Urban Vulnerability," "Federal Responsibility in the Field of Education," "The Impact of Federal Grants-in-Aid on the Structure and Functions of State and Local Governments," "Federal Aid to Welfare," "Local Government," and "Unemployment Compensation and Employment Service." The regular departmental supply of these publications is being obtained directly from the Government Printing Office by the agencies of the Department, and copies are generally not available from this office.

This office has obtained some additional copies of the final report of the entire Commission on Intergovernmental Relations, which was ordered printed as a congressional document. These copies are available, for official purposes, by calling Ext. 4654 or sending to Room 105A.

14. TOBACCO. The Agriculture Committee on Fri., July 15, ordered the following bills reported: H. R. 6845, to amend the Agricultural Adjustment Act relating to national marketing quota for tobacco; and H. R. 6846, amended, and H. R. 6847, amending the Agricultural Act regarding tobacco allotments (pp. D723-4).
15. FARM LOANS. The Agriculture Committee ordered reported on Fri., July 15, H. R. 6914, to amend the Bankhead-Jones Farm Tenant Act, to modify, clarify, and provide additional authority for insurance of loans (p. D724).
16. RICE. The Agriculture Committee ordered reported on Fri., July 15, H. R. 7302, to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938 (p. D724).
17. FARM-CITY WEEK. Subcommittee Number 4 of the Judiciary Committee on Fri., July 15, reported to the full committee H. J. Res. 317, to designate the last week of October of each year as National Farm-City Week (p. D725).
18. PERSONNEL. Reps. Davis, Ga., and Cunningham discussed the status of S. 1041, to provide for the inclusion in computation of accredited service of certain State service in retirement provisions, and it was passed over without prejudice (p. 9267).
Rep. Ford requested and it was agreed that S. 1792, to amend the Federal Employees' Group Life Insurance Act of 1954, be passed over without prejudice (p. 9267).
Passed as reported H. R. 6590, prohibiting the Federal employment of disloyal persons (pp. 9270-1).
19. SOCIAL SECURITY. Passed with amendments H. R. 7225, to amend the Social Security Act (pp. 9273-9304). The bill amends the old-age and survivors' insurance system to provide monthly benefits for disabled insured individuals who have attained age 50, a reduction in the benefit eligibility age for women to 62 years, continued monthly benefits for disabled children after they attain age 18, expanded old-age and survivors' insurance coverage, and an adjusted contribution schedule. The bill clarifies the status under old-age and survivors' insurance of individuals who operate farms with the owners or tenants of those farms, under share-farming arrangements, by specifying that these individuals are not employees but are self-employed. It also provides that the exclusion from self-employment earnings of rentals from real estate would not apply to any income derived by an owner or tenant of land from the operation of a farm by another individual under an arrangement which provided for material participation by the owner or tenant in the farm production. It extends coverage to an estimated 20,000 agricultural workers engaged in the production of turpentine and gum naval stores.

20. **MINIMUM WAGE.** The Rules Committee reported a resolution for debate on and consideration of H. R. 7214, to amend the Fair Labor Standards Act to provide for an increase to \$1 per hour in the minimum wage (p. 9319).
21. **PENALTY MAIL.** Passed without amendment H. R. 5856, repealing the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year (p. 9267).
22. **ACCOUNTING OFFICERS.** Passed without amendment H. R. 7035, authorizing the GAO to provide for relief of an accounting officer for loss of physical property upon determination of the pertinent facts (p. 9262).
23. **DISBURSING OFFICERS.** Passed without amendment H. R. 7034, authorizing the Comptroller General or his designate to provide relief for disbursing officers for loss of funds upon determination of the pertinent facts (pp. 9262-3).
24. **RECLAMATION; ELECTRIFICATION.** Reps. Hosmer and Sheppard spoke in opposition to the proposed construction of the upper Colorado River project (pp. 9233-4, 9329-30).
25. **HIGHWAYS.** The Public Works Committee approved on Fri., July 15, for reporting H. R. 7072, the Federal-aid highway construction bill. The "Daily Digest" states "A clean bill is scheduled to be reported tomorrow (Tues., July 19), which will supersede H. R. 7072 (p. D725).
26. **FAO.** Received a draft of proposed legislation from the Acting Secretary of State "to amend certain laws providing for membership and participation by the United States in the Food and Agriculture Organization and the International Labor Organization and authorizing appropriations therefor;" referred to the Foreign Affairs Committee (p. 9338).
- AIRPORTS.**
27. Passed as reported S. 1855, authorizing the Secretary of Commerce to make grants under the Federal Airport Act, annual contract authority in the amount of \$63 million for each of the fiscal years 1956, 1957, 1958, and 1959 (pp. 9304-11). The Federal Airport Act provides for an integrated national system of airports for air commerce, including "agricultural flying" and further provides that the Secretary of Commerce shall use such authorized funds for projects in "national forests" if deemed appropriate for "carrying out the national airport plan."

SENATE

28. **LANDS.** The Interior and Insular Affairs Committee reported without amendment H. R. 4894, which would repeal certain obsolete laws relating to disposals of land under the timber and stone laws (S. Rept. 875) (p. 9156).
29. **CONTRACTS.** Agreed to the conference report on H. R. 4904, to extend the Renegotiation Act of 1951 for two years (pp. 9184-5).
30. **DEFENSE PRODUCTION.** Sen. Kilgore submitted an amendment he intends to propose to S. 2391, the defense production bill (p. 9159).
31. **PAPERWORK.** Received from the Hoover Commission part 2 of its task force report on the Nation's Paperwork for Government an Experiment; to Government Operations Committee (p. 9154).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, in view of the fact that the Civil Service Commission is definitely opposed to the bill and as it is one that should not be on the Consent Calendar, I ask unanimous consent that it be passed over without prejudice.

Mr. HARVEY. Mr. Speaker, reserving the right to object, I would like to say to the gentleman from Iowa that this is identical with a bill that passed the House bearing my name in the 83d Congress, was reported by the Senate committee, but died in the last days of the session on the Consent Calendar in the Senate.

I am aware of some objections the Civil Service Commission has, but I want to say that I think their objections are probably without full validity, because this would affect vocational teachers primarily who would have an opportunity to accept Federal employment but at the sacrifice of their retirement rights at the State level. This would permit them to accept Federal employment and acquire retirement status there by paying the required amount of money for back service represented by their years of duty in the State. It is a sound proposition and we already have a decision of a similar nature for the benefit of county agents. But those who wish to come in through the Smith-Hughes Act do not have that same eligibility, although their cases are almost identical. I think the present situation merely promotes and extends an inequity that should not be permitted to continue.

Mr. CUNNINGHAM. We have no assurance of the overall cost. Our information is that it is discriminatory and that the Commission is strongly opposed to the enactment of the bill. So there is nothing for the official objectors to do except to ask that the bill be passed over without prejudice. There are other ways in which the bill can be brought up. We are here for the protection of the membership. If we permit the passage of bills by unanimous consent that do not have complete and substantial support of the departments then certainly we are opening the door wide and many of the Members will be embarrassed in the future. We are doing this for the Members' protection. I see no objection to passing this over without prejudice.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield.

Mr. DAVIS of Georgia. I do not know that it would make any difference to the gentleman from Iowa, but I would like to call his attention to the fact that this bill passed in the last Congress on the Consent Calendar. During the present session I have been chairman of the subcommittee which heard it, and the subcommittee was unanimously in favor of reporting the bill out; so was the full committee.

Mr. CUNNINGHAM. Perhaps there was no objection from the Commission at that time. I do not recollect. We certainly have that objection now, and we have our rules to abide by.

Is there any reason why the gentleman cannot get the bill up under a suspension of the rules before the end of the session? Other bills are being called under suspensions today.

Personally I have no objection to the bill, but with this adverse report from the Commission, I see nothing else to do.

Mr. DAVIS of Georgia. We went into it very carefully and in great detail in the subcommittee and heard the objections which the Civil Service Commission offered. We were unanimously of the opinion that there is no discrimination in it, that it does not establish any precedent at all. We already have the precedent for this legislation in the matter of the county agents who already have been granted this right which this bill would give to these other agricultural employees.

It does not open the floodgates; it applies only to the people who are set out on page 3 of the committee report.

Mr. CUNNINGHAM. I do not mean it would open the floodgates for all legislation, but it would open the floodgates to a certain extent if we passed bills by unanimous consent that are opposed by the departments. That in turn would be injurious to the Members. We are here for the protection of the membership. It seems to me there are plenty of other ways that this bill can be brought up.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa that the bill be passed over without prejudice?

There was no objection.

AMENDING FEDERAL EMPLOYEES' GROUP LIFE INSURANCE ACT OF 1954

The Clerk called the bill (S. 1792) to amend the Federal Employees' Group Life Insurance Act of 1954.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, the objectors' committee on both sides of the aisle have a rule which states that any legislation costing more than a million dollars shall not be approved on the Consent Calendar. According to the information we have in reference to this bill the potential liability of the Federal Government could conceivably be \$33 million. On the basis of that statement obviously this legislation would violate the rule and regulation of the objectors' committee.

Mr. Speaker, I therefore withdraw my reservation of objection and ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ELIMINATION OF ACCOUNTING FOR PENALTY MAIL MATERIALS ON HAND

The Clerk called the bill (H. R. 5356) to repeal the requirement for heads of departments and agencies to report to

the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 301 of the Penalty Mail Act of 1948, as amended (62 Stat. 1048; 39 U. S. C., sec. 3211), is hereby amended by striking out the second sentence thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF FREE MAILING PRIVILEGES FOR MEMBERS OF ARMED FORCES IN KOREA AND COMBAT ZONES

The Clerk called the bill (H. R. 7125) to extend to June 30, 1956, the free mailing privileges granted by the act of July 12, 1950, to Members of the Armed Forces of the United States.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, this bill is opposed by the Department of Defense and, therefore, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

FEE FOR FURNISHING VETERAN COPY OF CERTIFICATE SHOWING HIS SERVICE

The Clerk called the bill (H. R. 6274) to provide that no fee shall be charged a veteran for furnishing him a copy of his discharge or a copy of his certificate of service.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, this matter was thoroughly considered by the Department of the Army panel on appropriations, not only during 1955 but in the 2 previous years. On the basis of the information which our subcommittee or panel obtained, it does not seem that this legislation is desirable. The record will indicate that in the Department of Defense appropriation bill for the fiscal year 1956 it was recommended that one additional certificate over and above the original be provided without charge.

Mr. Speaker, I withdraw my reservation of objection and I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

INCREASING ANNUITIES OF CERTAIN RETIRED CIVILIAN MEMBERS OF UNITED STATES NAVAL ACADEMY

The Clerk called the bill (H. R. 4672) to increase the annuities of certain re-

tired civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of January 16, 1936 (49 Stat. 1092), as amended, is further amended by adding thereto the following new section:

"SEC. 7. (a) The annuities payable under this act to civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School retired before April 1, 1948, are hereby increased by \$300 a year.

"(b) In addition to the increase in annuities authorized by subsection (a), the annuities payable under this act to all civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School retired before the date of enactment of this amendment shall be increased by \$300 a year. No such annuity, however, shall thereby be increased to an amount in excess of \$2,160.

"(c) The increase in the annuities of retired members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School authorized by subsection (b) shall not operate to increase the annuities of their survivors."

SEC. 2. Applicable current appropriations shall be available to carry out the provisions of section 1 of this act.

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I hope that before this session is over a bill increasing the annuities of other Federal employees will be passed by this Congress. There is such legislation pending at the present time. I notice in the newspapers that the administration is favorable to some increase. It is a very deserving group.

If the pending bill goes through it will be confined to a limited class. I therefore sincerely hope that favorable consideration will be given between now and the time the Congress adjourns to all of our retired Federal employees.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMEND SECTION 106 OF THE ARMY-NAVY NURSES ACT OF 1947

The Clerk called the bill (H. R. 2150) to further amend section 106 of the Army-Navy Nurses Act of 1947 so as to provide for certain adjustments in the dates of rank of nurses and women medical specialists of the Regular Army and Regular Air Force in the permanent grade of captain, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 106 of the Army-Navy Nurses Act of 1947 (61 Stat. 44, ch. 38), as amended, is further amended by inserting the letter "(a)" immediately following the words "Sec. 106." and by adding the following subsections at the end thereof:

"(b) Notwithstanding any other law, the Secretary of the Army shall, before January 1, 1956, adjust the dates of rank of all commissioned officers of the Army Nurse Corps and Women's Medical Specialist Corps of the Regular Army in the permanent grade of captain to reflect the total amount of service creditable to each such officer for pro-

motion purposes under existing law. When that adjustment is made, such officer shall be given precedence for promotion purposes in accordance with their adjusted dates of rank. If two or more officers have the same date of rank, rank shall be determined—

"(1) by length of continuous active commissioned service in the regular components of the Armed Forces;

"(2) if the length of continuous active commissioned service in the regular components of the Armed Forces is the same, by rank established at the time of original appointment in the regular component of an armed force; and

"(3) in other cases, by the Secretary of the Army.

"(c) Notwithstanding any other law, the Secretary of the Air Force shall, before January 1, 1956, adjust the dates of rank of all commissioned officers of the Regular Air Force in the permanent grade of captain who are designated as nurses and women medical specialists to reflect the total amount of service creditable to each such officer for promotion purposes under existing law. When that adjustment is made, the names of the officers concerned shall be arranged on the promotion lists concerned in order of date of rank. If two or more officers have the same date of rank, rank shall be determined—

"(1) by length of continuous active commissioned service in the regular components of the Armed Forces;

"(2) if the length of continuous active commissioned service in the regular components of the Armed Forces is the same, by rank established at the time of her earliest appointment in the regular component of an armed force; and

"(3) in other cases, by the Secretary of the Air Force."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZE CERTAIN CREDITS UNDER ARMY-NAVY NURSES ACT

The Clerk called the bill (H. R. 4106) to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 101 and 102 of the Army-Navy Nurses Act of 1947 (61 Stat. 41, 42), as amended (10 U. S. C. 166, 166a), are each further amended by adding the following new subsection at the end thereof:

"(d) In determining position on a promotion list, seniority in her grade in the Regular Army or the Regular Air Force, as the case may be, and eligibility for promotion, a person originally appointed as a commissioned officer under subsection (c) shall be credited, at the time of her appointment, with the active Federal commissioned service, after December 31, 1947, which she performed after becoming 21 years of age and before her appointment. However, not more than 5 years of service may be so credited. A person originally appointed as a first lieutenant who has not performed at least 3 years of such active Federal commissioned service after December 31, 1947, shall, for the same purposes, be credited with that amount of service. Service credited pursuant to this subsection shall be in lieu of and not in

addition to service credited under section 105 of this act."

SEC. 2. The effective date of the amendments made by section 1 of this act is January 1, 1948. No person is entitled to any back pay or allowances because of those amendments.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZE SUBSISTENCE ALLOWANCES TO ENLISTED PERSONNEL

The Clerk called the bill (H. R. 7194) to authorize subsistence allowances to enlisted personnel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Career Compensation Act of 1949, as amended, is further amended by adding at the end of subsection 301 (3) the following: "(f) Effective April 15, 1955, under such regulations and in such localities as may be prescribed by the Secretary of Defense, enlisted members granted permission to mess separately whose duties require them to purchase one or more meals from other than Government messes shall be entitled to not to exceed the pro rata allowance authorized for each such meal for enlisted members when rations in kind are not available."

With the following committee amendment:

Page 1, line 4, strike out "(3)" and insert "(e)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASE FOR THE DEAN OF THE NAVAL POSTGRADUATE SCHOOL

The Clerk called the bill (H. R. 2149) to increase the annual compensation of the academic dean of the United States Naval Postgraduate School.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the act of July 31, 1947 (61 Stat. 706), is amended to read as follows:

"SEC. 4. There shall be at the United States Naval Postgraduate School the civilian position of academic dean. An academic dean shall be appointed, to serve for periods of not in excess of 5 years, by the Secretary of the Navy upon the recommendation of the Postgraduate School Council, which shall consist of the Superintendent, Deputy Superintendent, and the Directors of the Technical, Administrative, and Professional Divisions of the United States Naval Postgraduate School. The academic dean shall receive such compensation for his services as may be prescribed by the Secretary of the Navy, which compensation shall not exceed \$13,500 per year. The academic dean shall be considered as a member of the civilian teaching staff of the United States Naval Postgraduate School insofar as provisions of law regarding retirement are concerned."

SEC. 2. The act of June 10, 1946 (60 Stat. 236, ch. 298), is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

84TH CONGRESS
1ST SESSION

H. R. 5856

IN THE SENATE OF THE UNITED STATES

JULY 19, 1955

Read twice and referred to the Committee on Post Office and Civil Service

AN ACT

To repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 301 of the Penalty Mail Act of 1948, as
4 amended (62 Stat. 1048; 39 U. S. C., sec. 321i), is hereby
5 amended by striking out the second sentence thereof.

Passed the House of Representatives July 18, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

84TH CONGRESS
1ST Session

H. R. 5856

AN ACT

To repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

JULY 19, 1955

Read twice and referred to the Committee on Post
Office and Civil Service

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 7, 1956
For actions of March 6, 1956
84th-2nd, No. 39

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Appropriations.....1,13,15	Farm program.....6,16	Public relations.....8
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HIGHLIGHTS; Senate continued debate on farm bill. Senate passed bill to relieve farmers from excise tax on gasoline. Sen. Humphrey criticized activities of public relations firm relative to this Department. Senate committee reported Treasury-Post Office appropriation bill. House commenced debate on independent offices appropriation bill. Rep. Curtis, Mo., introduced and discussed bill for taxation of co-operatives.

HOUSE

1. APPROPRIATIONS. Commenced debate on H. R. 9739, the independent offices appropriation bill for 1957. Amendments tentatively adopted included an increase of \$5,386,030 for the FCDA disaster relief funds and a deletion of language authorizing eleven supergrade positions in GSA. pp. 3581, 3582
2. BANKING AND CURRENCY. Rep. Patman criticized the undemocratic character of certain aspects of the open-market committee of the Federal Reserve System and inserted the text of his address to the Women's National Democratic Club urging the reconsideration and reorganization of the system. p. 3614
3. DEFENSE PRODUCTION. Both Houses received from the Office of Defense Mobilization a draft of legislation "to extend the Defense Production Act of 1950"; to the Banking and Currency Committees. pp. 3488, 3618
4. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. 1194, to provide for the construction of the Red Willow Dam, Nebr., by the Interior Department, and construction of Wilson Dam, Kans., by the Army Engineers (H. Rept. 1849). p. 3618
5. MONOPOLIES. The Judiciary Committee ordered reported with amendment H. R. 9424, to amend the Clayton Act by requiring prior notification of certain corporate mergers. p. D202

SENATE

6. FARM PROGRAM. Continued debate on S. 3183, the farm bill. pp. 3498, 3509, 3542
Sens. Chavez (for himself and Sen. Kerr), Young (for himself and Sens. Mundt, Carlson, Barrett, and Curtis), Ellender, Barrett (for himself and several other Senators), Hickenlooper (for himself and several other Senators), and Holland submitted amendments intended to be proposed to the bill. p. 3497
Sen. Langer inserted a Farmers' Union resolution opposing any reduction in wheat acreage and favoring 100 percent of parity for family farms, limiting all types of farm program payments to \$5,000 and an increase in personal income tax exemptions to \$1,000. p. 3489
7. FARM TAXES. Passed with Committee amendments H. R. 8780, to relieve farmers from excise taxes on gasoline and special fuels used on the farm. p. 3504
8. INFORMATION. Sen. Humphrey criticized the activities of a public relations firm relative to this Department, and inserted a letter received from the firm and an article on the matter. p. 3540
The Foreign Relations Committee ordered reported with amendments S. 3116, International Cultural Exchange and Fair Trade Participation Act of 1956. p. D200
9. DISASTER INSURANCE. Received a concurrent resolution from the S. Car. Legislature urging enactment of legislation authorizing a flood-insurance program. p. 3489
10. PARITY. Sen. Langer inserted a Local Farmers Union letter favoring 90 percent parity payments. p. 3490
11. WOOL. Sen. Young inserted several resolutions of the N. Dak. Cooperative Wool Marketing Assoc. opposing further freight rate increases, continuance of program to liquidate wool stocks, continuance of 6 percent duty on wool tops from Uruguay, and opposing attempts to reduce tariffs on imported wool and woollen products. p. 3490
12. FORESTRY. Sen. Humphrey inserted a letter received from a Rod and Gun Club favoring the preservation of the wilderness area of Superior National Forest. p. 3491
13. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 9064, the Treasury-Post Office appropriation bill, 1957 (S. Rept. 1624). p. 3492
14. PERSONNEL; PENALTY MAIL. Sen. Byrd submitted the report of the Jt. Committee on Reduction of Non-essential Federal Expenditures on Federal employment and pay for the month of January, and inserted several tables and a statement concerning the report. p. 3492

The Post Office and Civil Service Committee ordered reported without amendment the following bills:

H. R. 5856, to repeal requirements for department heads to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of the fiscal year;

S. 3237, providing for continuation of life-insurance coverage under the Federal Employees' Group Life Insurance Act of 1954 in the case of employees receiving benefits under the Federal Employees' Compensation Act;

S. 3315, to amend section 5 of the Civil Service Retirement Act of 1950 regarding death benefits; and

S. 1871, to amend the act to reimburse the Post Office Department for the transmission of official Government mail matter. D200

The Committee ordered reported with amendment S. 1542, to authorize an allowance for civilian officers and employees of the Government who are notaries public. D200

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 14, 1956
For actions of March 13, 1956
84th-2nd, No. 44

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Farm equipment.....3	Minerals.....21	Vehicles.....25
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Farm program.....1,13	Penalty mail.....4	

HIGHLIGHTS; Senate continued debate on farm bill. Rep. Laird criticized conference delay on school milk and brucellosis measure. Sen. Aiken and 18 other Senators introduced, and Sen. Aiken discussed, bill to improve and simplify credit facilities available to farmers. Sen. Long introduced and discussed bill to establish Federal-State Land Study Commission. Rep. Blitch introduced and discussed bill to provide food-fiber certificates for needy persons.

SENATE

1. FARM PROGRAM. Continued debate on S. 3183, the farm bill. p. 4061

Agreed to the following amendments:

- By Sen. Carlson, to provide a two-price system for wheat, with domestic parity, by a vote of 54 to 39 (a motion to reconsider the amendment was tabled (pp. 4061-80).
- By Sen. Clements, to enlarge the commercial wheat area to include all States having allotments in excess of 190,000 acres instead of 240,000 acres, which restores Kentucky and Tennessee to the commercial area (pp. 4092-93).
- By Sen. Clements, to include dark air-cured, fire-cured, and Virginia sun-cured tobaccos in those types of tobacco eligible for participation under the acreage-reserve program (pp. 4093-94).
- By Sen. Butler, to include Maryland tobacco in the acreage reserve program (4094).
- By Sen. Clements, to remove the \$100 per acre limitation on tobacco acreage reserve payments (pp. 4094-95).
- By Sen. Bricker, to permit producers of Ohio cigar filler tobacco types 42, 43, and 44 to participate in the acreage reserve program (p. 4095).

By Sen. Williams, to prohibit the leasing of Government lands for the production of surplus agricultural commodities (other than livestock and livestock products) except on condemned lands, wildlife refuges, of flood-control reservoir lands (pp. 4095-97).

By Sen. Williams, to establish a ceiling of \$7,500 on the amount which may be paid to any one individual in any State for conservation reserve payments (p. 4097).

Rejected an amendment by Sen. Russell, to provide a two-price system for cotton, with domestic parity, by a vote of 33 to 57 (pp. 4080-92).

By unanimous consent, modified the debate limitation agreement on the farm bill so that more than 1 hour may be taken on any amendment or motion (except a motion to lay on the table). p. 4093

Sens. Smith, Schceppel, Humphrey, Clements, and O'Mahoney submitted amendments intended to be proposed to the bill. p. 4031

2. WHEAT. Sen. Young inserted a Chamber of Commerce resolution in support of the amendment to the farm bill providing for price supports of quality wheat at 90% of parity. p. 4016

3. FARM EQUIPMENT. Sen. Langer inserted a citizens resolution urging that Congress investigate the spread between lower labor costs and higher farm equipment prices. p. 4016

4. ~~PERSONNEL; PENALTY MAIL.~~ The Post Office and Civil Service Committee reported without amendment the following bills: (p. 4017)

~~S. 1871, to amend the penalty mail law in several respects, including a provision to extend it to agricultural experiment stations (S. Rept. 1651).~~

~~H. R. 5856, to repeal the requirements for departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year (S. Rept. 1659). In its report on the bill, the Post Office Department said it has "adequate alternate sources and methods to secure reliable information."~~

~~S. 1542, to authorize an allowance for civilian officers and employees of the Government who are notaries public (S. Rept. 1652).~~

5. MEAT INSPECTION. Sen. Smith inserted a proclamation by the Governor of New Jersey commemorating the 50th anniversary of the enactment of the Federal pure food and drug law. p. 4032

6. FARMERS' UNION. Several Senators discussed, with some criticizing and others defending, the record and activities of the Farmers' Union. p. 4037

7. STORAGE CHARGES. Sen. Humphrey discussed the amounts being paid by this Department for grain storage and handling and inserted two letters, including one from this Department, on the matter. p. 4100

HOUSE

8. SCHOOL MILK; BRUCELLOSIS ERADICATION. Rep. Laird urged immediate conference consideration of, and House agreement to, the Senate amendments to H. R. 8320, to increase funds available for the school milk and brucellosis eradication programs. p. 4109

9. TAXATION. The "Daily Digest" states that the Ways and Means Committee directed the Chairman to disagree to the Senate amendments to H. R. 8780, to provide

REPEAL OF REPORTING REQUIREMENT REGARDING
PENALTY MAIL STOCK ON HAND

MARCH 13, 1956.—Ordered to be printed

Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, submitted the following

R E P O R T

[To accompany H. R. 5856]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 5856) to repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

This bill strikes out the second sentence of section 301 of the Penalty Mail Act of 1948, as amended, which requires the heads of departments and agencies to submit to the Postmaster General within 60 days after the close of each fiscal year a statement showing the number of penalty envelopes, labels, wrappers, and cards on hand at the close of such fiscal year.

STATEMENT

The requirements of this provision have imposed an unnecessary and costly burden on the agencies of the Government using penalty mail. Since enactment of Public Law 286, 83d Congress, requiring Government agencies to pay for all penalty mail, the reporting of unused penalty stock on hand serves no useful purpose. It has been estimated that elimination of the requirement will save about \$3,800,000 annually.

Hearings were held by the House Post Office and Civil Service Committee at which the Assistant Postmaster General and other representatives of the Post Office Department testified in favor of this enactment.

AGENCY VIEWS

Following are the views of the Post Office Department:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., April 18, 1955.

HON. RICHARD M. NIXON,
President of the United States Senate.

DEAR MR. PRESIDENT: Transmitted herewith, for consideration by the Congress, is proposed legislation to repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

Pursuant to section 301 of the Penalty Mail Act of 1948, as amended, all penalty mail envelopes, wrappers, labels, cards, and other articles, bearing the penalty mail indicia must be "procured or accounted for through the Postmaster General under such regulations as he shall prescribe." In addition, this section also provides that the Post Office Department be reimbursed for penalty mailings by the departments, agencies, and establishments of the Government. However, the second sentence of this section, which sentence is proposed to be repealed, provides:

"The head of each such department, agency, establishment, or other organization, or each such person, shall submit to the Postmaster General within sixty days after the close of each fiscal year a statement showing the number of envelopes, labels, wrappers, cards, and other articles bearing such indicia on hand at the close of such fiscal year."

Compliance with the requirements of this sentence of the law results in considerable unnecessary expense to the departments and agencies of the Government using penalty envelopes. The recent Report on Paperwork Management released by the Hoover Commission states that agencies are spending almost \$3,800,000 annually to develop usage figures. In view of the provision for reimbursement no need is now seen for continuing this requirement of law.

If the attached legislative proposal is enacted, the Post Office has adequate alternate sources and methods to secure reliable information. For example, reimbursements can be based on bulk purchases of new envelopes by permitting the present inventory to remain as a working stock. In many cases, usage can be satisfactorily computed by observing the mailing pattern of the agency for a short sampling period. In other cases, the number of envelopes used annually is so constant that a fixed reimbursement could be negotiated in advance.

The enactment of the attached proposal will practically eliminate computation costs and will relieve the departments and agencies of the Government of the expense of an inventory count which has been imposed on them since 1948 and which is scheduled again for June 30 of this year.

It is believed that the legislative proposal transmitted herewith will accomplish the purpose desired, and this Department urges its early enactment.

The Bureau of the Budget has advised that there would be no objection to the submission of this legislative proposal to Congress.

Sincerely yours,

C. R. Hook, Jr.,
Acting Postmaster General.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, existing law in which no change is proposed is shown in roman):

SECTION 301 OF THE PENALTY MAIL ACT OF 1948, AS AMENDED

SEC. 301. All envelopes, labels, wrappers, cards, and other articles, bearing the indicia prescribed by law for matter mailed free of postage under the penalty privilege by all executive departments and agencies, all independent establishments of the Government, and all other organizations and persons authorized by law to use the penalty privilege, shall be procured or accounted for through the Postmaster General under such regulations as he shall prescribe. [The head of

each such department, agency, establishment, or other organization, or each such person, shall submit to the Postmaster General within sixty days after the close of each fiscal year a statement showing the number of envelopes, labels, wrappers, cards, and other articles bearing such indicia on hand at the close of such fiscal year.】 Based on such accountings, there shall be transferred to the Post Office Department as postal revenue, out of any appropriations or funds available to the departments, agencies, and establishments concerned, the equivalent amount of postage due therefor, as determined pursuant to regulations prescribed by the Postmaster General.



Calendar No. 1683

84TH CONGRESS
2D SESSION

H. R. 5856

[Report No. 1659]

IN THE SENATE OF THE UNITED STATES

JULY 19, 1955

Read twice and referred to the Committee on Post Office and Civil Service

MARCH 13, 1956

Reported by Mr. JOHNSTON of South Carolina, without amendment

AN ACT

To repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 301 of the Penalty Mail Act of 1948, as
4 amended (62 Stat. 1048; 39 U. S. C., sec. 321i), is hereby
5 amended by striking out the second sentence thereof.

Passed the House of Representatives July 18, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

Calendar No. 1683

84TH CONGRESS
2d Session

H. R. 5856

[Report No. 1659]

AN ACT

To repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

JULY 19, 1955

Read twice and referred to the Committee on Post
Office and Civil Service

MARCH 13, 1956

Reported without amendment

Mar. 19, 1956

Extension of remarks of Rep. Johnson, Wis., stating that "there are some people who believe that there are too many farmers in the United States, and that the solution to our farm problem is to bulldoze about a million small, family farmers off from the land," and inserting a newspaper editorial on the decline in farm income. p. A2455

SENATE (cont'd)

25. NOMINATIONS. Confirmed the nomination of Edgar Bernard Brossard to be a member of the U. S. Tariff Commission. p. 4429
26. TRANSPORTATION. Received the report of the Select Committee on Small Business on the competition, regulation, and public interest in the motor-carrier industry (S. Rept. 1693). p. 4431
as reported
27. PERSONNEL. Passed/S. 3237, to provide for continuance of life insurance coverage under Federal Employees Group Life Insurance Act in the case of employees receiving benefits under Employees' Compensation Act. p. 4456
as reported
Passed/S. 5315, providing that title to benefits from the civil-service retirement and disability fund shall not arise from any separation unless the employee has, within the 2-year period immediately preceding the separation, completed at least 1 year of creditable service. p. 4456
as reported
28. PENALTY MAIL. Passed/H. R. 5856, to strike out the second sentence of section 301 of the Penalty Mail Act of 1948, as amended, which requires the heads of departments and agencies to submit to the Postmaster General within 60 days after the close of each fiscal year a statement showing the number of penalty envelopes, labels, wrappers, and cards on hand at the close of such fiscal year. The Senate committee report states: "The requirements of this provision have imposed an unnecessary and costly burden on the agencies of the Government using penalty mail. Since enactment of Public Law 286, 83d Congress, requiring Government agencies to pay for all penalty mail, the reporting of unused penalty stock on hand serves no useful purpose. It has been estimated that elimination of the requirement will save about \$3,800,000 annually." p. 4458
as reported
Passed/S. 1871, which provides for inclusion, in the appropriations reimbursing the Post Office Department for the transmission of official Government mail matter, including mailings by the judicial and executive branches of the Government, with the exception of the mailings made by the Post Office Department, of registry fees on their mailings. p. 4457
29. NOTARIES PUBLIC. Passed with amendments S. 1542, to authorize an allowance for civilian officers and employees of the Government who are notaries public. p. 4458
30. INTERNATIONAL AFFAIRS. Passed over, at the request of Sen. Hruska, S. 3116, to provide for participation in international fairs and festivals, etc. p. 4459
31. FLOOD CONTROL. Passed as reported H. R. 5556, authorizing a preliminary examination and survey of McGirts Creek, Fla., for flood control. p. 4455
32. RECLAMATION. Passed with amendment H. R. 6268, to facilitate the construction of drainage works on Federal reclamation projects. p. 4459
33. FORESTRY. Passed as reported H. R. 4660, affirming that title of a tract of land in California vested in the State in January 1897. p. 4458

34. LEGISLATIVE PROGRAM. The "Daily Digest" states that on Tuesday, March 20, the Senate will begin consideration of S. J. Res. 31, proposed constitutional amendment respecting the election of President and Vice President. p. D253

BILLS INTRODUCED

35. FLOOD CONTROL. S. 3469, by Sen. Jackson, to increase and revise the authorization for small flood-control projects in section 205 of the Flood Control Act of June 30, 1948, as amended by section 212 of the Flood Control Act of May 17, 1950; and to extend such authorization to bank protection projects; to Public Works Committee. Remarks of author, p. 4431.
36. PERSONNEL. S. 3477, by Sen. Johnston, S. C., to provide for the procurement by the Government of insurance against risk to civilian personnel of liability for personal injury or death, or for property damage, arising from the operation of motor vehicles in the performance of official Government duties; to Post Office and Civil Service Committee.
37. RECLAMATION. H. R. 10024, by Rep. Berry, to permit the Secretary of the Interior to waive certain requirements of law with respect to joint liability under contracts entered into pursuant to the Federal reclamation laws; to Interior and Insular Affairs Committee.
38. LIVESTOCK. H. R. 10029, by Rep. Fernandez, "to amend section 317 (a) of the Packers and Stockyards Act, 1921;" to Agriculture Committee.
39. FORESTS. H. R. 10042, by Rep. Reuss, to amend section 1 of the act entitled "An act to authorize the cutting of timber, the manufacture and sale of lumber, and the preservation of the forests on the Menominee Indian Reservation in the State of Wisconsin," approved March 28, 1908, as amended; to Interior and Insular Affairs Committee.
40. NATURAL RESOURCES. H. R. 10044, by Rep. Reuss, to reduce the percentage depletion for natural resources; to Ways and Means Committee.
41. WATER RESEARCH. H. J. Res. 587, by Rep. Utt, authorizing the Secretary of the Interior to establish and construct certain facilities at San Diego County, Calif., for the purpose of conducting research in methods of converting saline water to potable water; to Interior and Insular Affairs Committee.

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COMMITTEE HEARING ANNOUNCEMENTS FOR MAR. 20:

Second Supplemental Appropriations for 1956, S. Appropriations (exec) (Morse, Clarkson, McArdle, Ritchie, and Scott to testify).

Rural housing, S. Banking and Currency (McLeaish, Smith to testify).

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bership roll prepared for such purpose was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to segregate the fund on deposit in the Treasury of the United States titled "the Three Affiliated Tribes of Fort Berthold Reservation, N. Dak." on the basis of a membership roll prepared for that purpose and approved by the Secretary. The segregated shares of adults, including interest accruals thereon, shall be subject to expenditure in accordance with plans prepared and submitted by such adults and approved by the Secretary. The segregated shares, including interest accruals thereon, of persons who are minors or non compos mentis shall be subject to expenditure in accordance with procedures approved by the Secretary. The Secretary may require any segregated share of a member to be used to pay a debt that is owed by such person to the Tribes or to the United States and that is due and payable.

CONVEYANCE TO LAKE COUNTY, CALIF., OF LOWER LAKE RANCHERIA

The bill (H. R. 585) to authorize the conveyance to Lake County, Calif., of the Lower Lake Rancheria, and for other purposes, was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. ERVIN. Mr. President, the bill provides for the conveyance to Lake County, Calif., of a part of the Lower Lake Rancheria. The purpose is the establishment of an airport. However, title to 41 acres of the approximately 140 acres is to be vested in Mr. Harry Johnson, the present occupant of the 41-acre tract; and the land is to be sold for its fair market value.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 585) was considered, ordered to a third reading, read the third time, and passed.

RELEASE BY THE UNITED STATES OF RIGHT AND INTEREST IN CERTAIN LAND IN SAGINAW COUNTY, MICH.

The bill (H. R. 622) to provide for the release by the United States of its right and interest in certain land located in Saginaw County, Mich., was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McNAMARA. Mr. President, I do not have objection, but I should like to have an explanation of the bill.

Mr. BIBLE. Mr. President, this bill releases any right that the United States may retain in 640 acres in Saginaw County, Mich., which rights inure to Saginaw County, stemming from some Indian treaties. The reason for the release is to remove any possible cloud on title which results from the discrepancy between the old deeds and the Indian treaties. There was no objection by the Department of the Interior. As a mat-

ter of fact, the Department recommends that the bill be passed, in order to remove possible clouds on title.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McNAMARA. I have no objection, Mr. President.

There being no objection, the bill (H. R. 622) was considered, ordered to a third reading, read the third time, and passed.

EXECUTION OF MORTGAGES AND DEEDS OF TRUST ON INDIAN TRUST OR RESTRICTED LAND

The bill (H. R. 4802) to authorize the execution of mortgages and deeds of trust on individual Indian trust or restricted land was considered, ordered to a third reading, read the third time, and passed.

ACQUIREMENT OF TRUST INTERESTS IN TRIBAL LANDS OF THE FORT BERTHOLD RESERVATION

The Senate proceeded to consider the bill (S. 1528) to authorize enrolled members of the three affiliated tribes of the Fort Berthold Reservation, N. Dak., to acquire trust interest in the tribal lands of the reservation, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, after the enacting clause, to strike out "That the Secretary of the Interior, with the consent of the Fort Berthold Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., is" and insert "That, notwithstanding the provisions of the constitution and charter of the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., the Secretary of the Interior, with the consent of the governing body of the tribes, is", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of the constitution and charter of the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., the Secretary of the Interior, with the consent of the governing body of the tribes, is hereby authorized to dispose of tribal lands within the boundaries of such reservation to any enrolled member of the Three Affiliated Tribes of the Fort Berthold Reservation upon such terms and conditions as the Secretary may prescribe. Title to any land conveyed under this act shall be taken in the name of the United States in trust for the individual Indian owner.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INCREASED APPROPRIATION AUTHORIZATION FOR THE WOODROW WILSON CENTENNIAL CELEBRATION COMMISSION

The joint resolution (H. J. Res. 443) to increase the appropriation authorization for the Woodrow Wilson Centennial Celebration Commission was considered, ordered to a third reading, read the third time, and passed.

REIMBURSEMENT FOR TRANSMISSION OF OFFICIAL GOVERNMENT MAIL MATTER

The bill (S. 1871) to amend the act entitled "An act to reimburse the Post Office Department for the transmission of official Government mail matter," approved August 15, 1953 (67 Stat. 614), and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to reimburse the Post Office Department for the transmission of official Government-mail matter," approved August 15, 1953 (67 Stat. 614), is amended by the addition of sections 3 and 4 to read as follows:

"Sec. 3. There shall be paid to the Post Office Department, as postal revenue, out of the respective appropriations or funds available to the departments, agencies, establishments, Government corporations, and all other organizations and persons concerned, the equivalent amount of postage or registry fees, as determined pursuant to regulations prescribed by the Postmaster General for matter sent in the mails without prepayment of postage, or without prepayment of registry fees, by the department, agency, establishment, Government corporation, organization, or person concerned, for which the Post Office Department otherwise does not receive compensation, under authority of the following laws:

"(1) Section 3932 of the Revised Statutes (39 U. S. C. 385);

"(2) That part of section 3 of the act entitled 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1885, and for other purposes,' approved July 5, 1884 (23 Stat. 158), as amended by section 2 of the act entitled 'An act authorizing the Postmaster General to establish a uniform system of registration of mail matter, and for other purposes,' approved May 1, 1928 (45 Stat. 469), and codified in section 321a of title 39, United States Code;

"(3) Section 10 of title 13, United States Code (sec. 1, ch. 1158, 68 Stat. 1012, 1014);

"(4) The first and second provisos of section 306 of title III of the act entitled 'An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes,' approved June 25, 1948 (62 Stat. 1049; 39 U. S. C. 321n); and

"(5) Section 345 of the act entitled 'An act to revise the laws relating to immigration, naturalization, and nationality; and for other purposes,' approved June 27, 1952 (66 Stat. 266; 8 U. S. C. 1456).

"Such payments shall be regarded as a necessary expense of the respective appropriations and activities.

"Sec. 4. There shall be paid to the Post Office Department, as postal revenue, out of appropriations made therefor, to the Department of Agriculture, the equivalent amount of postage, as determined pursuant to regulations prescribed by the Postmaster General for matter sent in the mails without prepayment of postage pursuant to the following laws:

"(1) Section 4 of the act entitled 'An act to establish agricultural experiment stations in connection with the colleges established in the several States under the provisions of an act approved July 2, 1862, and of the acts supplementary thereto,' approved March 2, 1887 (24 Stat. 441; 7 U. S. C. 365);

"(2) Section 3 of the act entitled 'An act to apply a portion of the proceeds of the public lands to the more complete endowment and support of the colleges for the benefit of agriculture and the mechanic arts established under the provisions of an act

of Congress approved July 2, 1862,' approved August 30, 1890 (26 Stat. 418; 7 U. S. C. 325); and

"(3) The proviso in the third paragraph under 'General expenses, offices of experiment stations' in the act entitled 'An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915,' approved June 30, 1914 (38 Stat. 438; 39 U. S. C. 330)."

SEC. 2. Section 15 of title 17, United States Code (sec. 1, ch. 391, 61 Stat. 652), is hereby repealed.

SEC. 3. Section 306 of title III of the act of June 25, 1948 (62 Stat. 1040; 39 U. S. C. 321n), is hereby amended by (A) striking out the words "free of postage" wherever they appear therein, and by inserting in lieu thereof "as penalty mail"; and (B) by striking out all of the second sentence down to and including the words "Provided, That," in the first proviso.

SEC. 4. This act shall be effective July 1, 1955.

ALLOWANCE FOR NOTARIES PUBLIC

The Senate proceeded to consider the bill (S. 1542) to authorize an allowance for civilian officers and employees of the Government who are notaries public, which had been reported from the Committee on Post Office and Civil Service with amendments on page 1, line 4, after the word "the", to strike out "Government" and insert "Federal Government and the municipal government of the District of Columbia," and on page 2, line 2, after the word "the", to strike out "Government" and insert "Federal Government and the municipal government of the District of Columbia", so as to make the bill read:

Be it enacted, etc., That civilian officers and employees of the departments and establishments of the Federal Government and the municipal government of the District of Columbia who are required to serve as notaries public in connection with the performance of official business shall be paid an allowance to be established by the department or establishment concerned not to exceed the expense required to be incurred by them in order to obtain their commission from and after January 1, 1955.

SEC. 2. Funds available to the departments and establishments of the Federal Government and the municipal government of the District of Columbia for personal services or general administrative expenses shall be available to carry out the purposes of this act.

SEC. 3. This act may be cited as the "Notaries Public Expense Act of 1955."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1161) to abolish the Fossil Cycad National Monument, South Dakota, and for other purposes, was announced as next in order.

Mr. HRUSKA. Over.

Mr. CASE of South Dakota. Mr. President, some question has arise with regard to certain features of this bill, and I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

AFFIRMATION OF TITLE TO CERTAIN LAND IN CALIFORNIA

The bill (H. R. 4680) affirming that title to a certain tract of land in California vested in the State of California on January 21, 1897 was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN FEDERAL LAND TO SCHOOL DISTRICT NO. 24, LAKE COUNTY, OREG.

The bill (H. R. 6772) to authorize the Secretary of the Interior to convey certain federally owned land under his jurisdiction to the school district No. 24 of Lake County, Oreg., was announced as next in order.

Mr. MORSE. Mr. President, I ask the author of the bill if it contains a provision for compensation. As the Senate knows, I have insisted since 1946 that Federal property belonging to all of the taxpayers of the Nation should not be given away. As a result of my persistence in this matter the Senate has come to apply, with only rare exceptions, the so-called Morse formula recommended by the old Naval Affairs Committee in 1946. Under this formula when Federal property is to be transferred to a State government, or a county or municipal governmental body or a school district or any other local governmental unit the Federal Government must receive payment of at least 50 percent of the appraised fair market value for the property if it is to be used for a local public use. Of course, it would not be fair of me to insist that the formula not be applied in my own State and, therefore, I have been as insistent that it be applied to Oregon as to every other State. The Morse formula has saved the taxpayers of the United States about \$500 million since 1946.

I certainly want school district No. 24 in Lake County, Oreg., to obtain the property involved in this bill and I am sure that the school district would want to comply with the Morse formula.

Mr. ERVIN. The bill provides that conveyance shall be made upon payment of the fair market value of the land, as determined by the Secretary.

Mr. MORSE. I have no objection. However, let me say for the record that, inasmuch as this is a bill involving my own State, I would object if it did not provide for compensation at a figure equal to at least half of the appraised fair market value of the property. Under the Morse formula, the Secretary could fix the price at half of the fair market value, but apparently in this case the committee believes that a fair market value would be just and reasonable.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time and passed.

ABOLISHMENT OF CASTLE PINCKNEY NATIONAL MONUMENT, S. C.

The bill (H. R. 4391) to abolish the Castle Pinckney National Monument in the State of South Carolina, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

EXCHANGE AND TRANSFER OF CERTAIN LANDS TO THE COMMONWEALTH OF VIRGINIA

The bill (H. R. 5280) to authorize land exchanges for purposes of Colonial National Historical Park in the State of Virginia; to authorize the transfer of certain lands of Colonial National Historical Park, in the State of Virginia, to the Commonwealth of Virginia, and for other purposes was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill? I am satisfied that it meets the compensation requirement.

Mr. ROBERTSON. Mr. President, I am interested in the bill, because the national park is in Virginia. The Government owns more than 9,000 acres. Within that boundary are about 90 acres of privately owned land which the Government very much needs. There is more than 100 acres on the perimeter which the Government does not need. The bill would authorize the Secretary of the Interior to negotiate land transfers. There is to be an appraisal of value, and if there is any difference in value, the difference will have to be paid in cash. It is all on a strictly cash basis, and very much to the interest of the Government.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

RECONVEYANCE OF OIL AND GAS AND MINERAL INTERESTS IN CERTAIN LANDS TO FORMER OWNERS

The bill (H. R. 7097) to provide for the reconveyance of oil and gas and mineral interests in a portion of the lands acquired for the Demopolis Lock and Dam project, to the former owners thereof, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

REPEAL OF REQUIREMENT FOR REPORTING PENALTY ENVELOPES AND WRAPPERS ON HAND TO THE POSTMASTER GENERAL

The bill (H. R. 5856) to repeal the requirement for the heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year was considered, ordered to a third reading, read the third time, and passed.

Public Law 451 - 84th Congress
Chapter 108 - 2d Session
H. R. 5856

AN ACT

All 70 Stat. 63.

To repeal the requirement for heads of departments and agencies to report to the Postmaster General the number of penalty envelopes and wrappers on hand at the close of each fiscal year.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301 of the Penalty Mail Act of 1948, as amended (62 Stat. 1048; 39 U. S. C., sec. 321i), is hereby amended by striking out the second sentence thereof. ^{Penalty} _{mail.}

Approved March 29, 1956.

